

MISSOURI GAMING COMMISSION
MINIMUM INTERNAL CONTROL STANDARDS
SECTION I - CASINO ACCOUNTING

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Note: Sections 313.800 through 313.850, RSMo., et seq., and Title 11, Division 45 of the Code of State Regulations establish standards to which Class A licensees must comply. Class A licensees should review these statutes and rules to ensure their ICS includes compliance with the requirements set forth.

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(11 CSR 45-8)

General

1. The accounting records maintained by each Class A Licensee shall comply with requirements of the MGC Rules And Regulations.

Controls Over Locked Accounting Box

2. The ICS shall include control procedures over the locked accounting box which include the accessibility of the insertion slot and a description of the following:
 - a. Location of locked accounting box(es), ensuring that they are in an area which is accessible to those employees who are required to deposit documents; and
 - b. the designation of the accounting employees authorized to access the locked accounting box and remove the contents contained therein.

Storage of Unused Forms

3. The ICS shall include procedures for the following:
 - a. Receipt, issuance, and inventory of all pre-numbered forms which shall be controlled by accounting, including maintaining appropriate logs; and
 - b. securing of blank pre-numbered forms in a locked storage area maintained by accounting and/or security.

Signature Records

4. Dated authorization lists shall be maintained by the accounting department or another department as designated by the Class A Licensee for each employee who is required to sign company documents.
5. The authorization lists shall be updated monthly to reflect changes in personnel, (i.e., promotions, transfers, terminations, etc.). The date the change became effective shall be recorded on the lists. This list shall be forwarded to the MGC financial manager.

Deposit of Admission and Gaming Taxes (11 CSR 45-11)

6. Admission and Gaming Taxes shall be deposited daily into established accounts via an Electronic Funds Transfer (EFT) system employing an Automated Clearinghouse Debit (ACH-Debit) or wire transfer method and paid weekly via an Electronic Funds Transfer (EFT) system employing a wire transfer method.
7. Each Class A Licensee shall submit the admission and gaming taxes in compliance with the MGC Rules And Regulations.

Note: Sections 313.800 through 313.850, RSMo., et seq., and Title 11, Division 45 of the Code of State Regulations establish standards to which Class A licensees must comply. Class A licensees should review these statutes and rules to ensure their ICS includes compliance with the requirements set forth.

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8. Adjustments to taxes, due to corrections, shall be made when found and included in the next weekly tax payment wired to the Missouri Department of Revenue (DOR).
 - a. If related to negative AGR, then the adjustments shall be made within the same weekly tax period as defined in 11 CSR 45-11.030(1).

Sensitive Area Key Logs

9. The accounting department shall retain the completed sensitive area key logs.
10. Describe procedures for reviewing the completed sensitive area key log to ensure compliance. Include procedures for documenting any instances of non-compliance. The documents concerning non-compliance shall be forwarded to the MGC boat supervisor on a monthly basis.

Complimentary Services (11 CSR 45-8.040(4)(J))

11. Each Class A Licensee shall maintain detailed records supporting the accumulation of the costs of complimentary services and items.
12. A complimentary service or item provided to patrons in the normal course of business shall be recorded at full retail price.

Procedures for Monitoring and Reviewing Gaming Operations

13. Procedures shall be established for monitoring and reviewing daily gaming transactions for:
 - a. Live games;
 - b. electronic gaming devices;
 - c. casino cashiering;
 - d. admission and gaming taxes;
 - e. currency transaction reporting;
 - f. sensitive key access; and
 - g. reconciliation of numerical sequence of forms used, matching and reviewing all copies of forms, matching computer monitoring system reports with actual fill and payout forms, and examination of voided forms.
14. A description of the computation of the unredeemed liability and the inventory of chips and tokens in circulation and reserve shall be included in the procedures.
15. If the drop buckets are not dropped each day, the tax shall be paid daily, using the amounts on the computer monitoring system. When the EGDs are dropped and counted,

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the amounts reported on the tax remittal (per the computer monitoring system) shall be reconciled and adjusted.

16. Accounting shall compare the computer monitoring system amounts to the actual amounts counted for all EGDs on a weekly basis. If the total variance per machine is two percent (2%) or more, it shall be investigated and brought to the attention of the MGC boat agent on duty.
17. Document the procedures for resolving questions raised during the review and monitoring of daily gaming transactions.
18. Document the criteria for determining deviations from expected results of gaming operations that require further investigations and the procedures for conducting and recording the results of such investigations. This should include the notification of a MGC agent.
19. Casino Accounting shall perform a monthly general ledger reconciliation of:
 - a. AGR - Table Games;
 - b. AGR - EGDs;
 - c. cage accountability;
 - d. chip and token liability; and
 - e. progressive jackpot liability.
20. Casino Accounting shall review on a weekly basis the Master Game Report and Slot Win Report, documenting and investigating any unusual variances from the prior week.

Required Daily Accounting Reviews

21. The accounting department for each Class A Licensee shall perform daily audits of the following: ticketing/turnstile, table games, Electronic Gaming Device records and summary reports, cage, player tracking, and other areas deemed appropriate by the MGC for appropriateness and accuracy. The daily audits should indicate the individual performing the audit and the individual reviewing the audit performed.
 - a. Ticketing/Turnstile:
 - (1) analyze the turnstile meter reading reports and ticketing summary reports for each gaming day for proper completion and accuracy of information;
 - (2) perform a random count of five session's entry tickets (or computer swipes) and compare to documentation on the turnstile meter reading spreadsheet;
 - (3) verify the handwritten manual turnstile count sheet (or computerized count sheet) to the turnstile meter reading spreadsheet for accuracy;

Note: Sections 313.800 through 313.850, RSMo., et seq., and Title 11, Division 45 of the Code of State Regulations establish standards to which Class A licensees must comply. Class A licensees should review these statutes and rules to ensure their ICS includes compliance with the requirements set forth.

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- (4) verify the opening meter readings to the prior day's closing meter readings;
 - (5) compare the difference between the boarding turnstiles and exit turnstiles and investigate any variance over 2%; and
 - (6) review the turnstile meter reading spreadsheet for any unusual occurrences (i.e. negative numbers, extremely large or small numbers).
- b. Table Games:
 - (1) these procedures should be performed daily for both computerized and manual forms and shall include, at a minimum, the following:
 - (a) trace table game fills and credit slips originals to duplicate copies and to orders for fill and credits to verify agreement;
 - (b) review the table game fills and credit slips for the proper number of authorized signatures, proper date/time, and accurate arithmetic;
 - (c) review all voided table game fills and credits for appropriate handling and required number of authorized signatures. Assure that all appropriate forms are attached;
 - (d) verify that credits and fills are properly recorded for the computation of win;
 - (e) trace opening drop cards to the previous shift's closing inventory slip to verify agreement and test for completeness and propriety;
 - (f) trace the detail from the master gaming report into the accounting entries recording the transactions and to the total cash summary;
 - (g) any other procedures deemed necessary by the Executive Director or the Commission;
 - (h) all variances or discrepancies from above shall be investigated, recorded, and reported to the head of the accounting department or its equivalent. The information shall be made available upon demand by the commission staff or boat supervisor; and
 - (i) any variances or discrepancies that affect the calculation of the win shall be adjusted.
- c. Electronic Gaming Devices
 - (1) trace the total of the "bills-in" meter readings as recorded by the bill acceptor flash report or equivalent to the actual count performed by the soft count team to verify agreement; and
 - (2) compare the total of tokens dropped as reported by the central computer system with the actual wrap count as reported by the slot drop count team. Any significant variances of greater than two percent (2%).

Note: Sections 313.800 through 313.850, RSMo., et seq., and Title 11, Division 45 of the Code of State Regulations establish standards to which Class A licensees must comply. Class A licensees should review these statutes and rules to ensure their ICS includes compliance with the requirements set forth.

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Statistics

22. Records shall be maintained reflecting statistical drop, statistical win, and statistical win-to-drop percentages for each gaming table and type of game. These records shall be maintained by day, cumulative month-to-date, and cumulative year-to-date.
23. Statistical reports shall be distributed to casino management above pit level personnel on at least a monthly basis. Unusual fluctuations from the base level shall be investigated and the results shall be documented in writing, retained, and a copy given to the MGC boat supervisor.

The above referenced management investigates any unusual fluctuations with pit supervisory personnel.

Note: At a minimum, investigations are performed for all percentage fluctuations from the base level for a month in excess of 3%.

The “base level” is defined as the licensee's win to drop percentage for the previous business year (or previous month in an initial year of operations).

The results of such investigations are documented in writing and maintained for at least five years by the licensee.

24. As requested, reports shall be given to the MGC boat supervisor of daily table game drop, win/loss and percentage win/loss. In addition, if casino management has prepared an analysis of specific table wins, losses, or unusual fluctuations, such reports shall also be given to the MGC boat supervisor, when requested.

Monthly and Annual Reporting Requirements

25. Financial statements and schedules are required by the MGC on a monthly and annual (fiscal year-end) basis:
 - a. Balance Sheet;
 - b. Income Statement;
 - c. Statement of Cash Flows;
 - d. Statement of Changes in Stockholders' Equity;
 - e. Statement of Changes in Partners' or Proprietors' Equity;
 - f. Employment and Payroll Report;
 - g. Statistical Report on Table Games and EGDs; and
 - h. Analysis of Cash on hand and in bank and Cage Accountability.
26. All financial reports required by the MGC shall be prepared in accordance with generally accepted accounting principles (GAAP).

Note: Sections 313.800 through 313.850, RSMo., et seq., and Title 11, Division 45 of the Code of State Regulations establish standards to which Class A licensees must comply. Class A licensees should review these statutes and rules to ensure their ICS includes compliance with the requirements set forth.

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27. The financial reports described in this section shall be electronically transmitted using the spreadsheet template format and procedures prescribed by the MGC.
28. Supporting documentation as required for the electronically transmitted financial reports shall be submitted to the MGC Tax/Financial Section.
29. The MGC Financial Department shall be notified of all adjustments/changes to the financial reports after the transmittal of the monthly/annual reports.
30. After the financial reports are reviewed by the MGC Financial Department, the licensee's Accounting Department shall provide any additional information and/or necessary corrections.

Player Tracking

31. The following standards apply if a player tracking system is maintained by the Class A Licensee:
 - a. The player tracking system is secured so as to prevent unauthorized access (e.g., changing passwords at least quarterly and physical access to computer hardware, etc.);
 - b. the addition of points to members' accounts other than through EGD play must be authorized by a department independent of the player tracking and slots. Alternatively, addition of points to members' accounts may be authorized by slot supervisory employees if sufficient documentation is generated and it is randomly verified by employees independent of the slot department on a quarterly basis;
 - c. additions of points to members' accounts other than through actual EGD play are sufficiently documented (including substantiation of reasons for increase);
 - d. booth employees who redeem points for members cannot have access to lost cards;
 - e. changes to the player tracking system parameters, such as point structures and employee access, must be performed by supervisory employees independent of the slot department. Alternatively, changes to player tracking system parameters may be performed by slot supervisory employees if sufficient documentation is generated and it is randomly verified by supervisory employees independent of the slot department on a monthly basis;
 - f. all other changes to the player tracking system must be appropriately documented; and
 - g. Player information and redemption of points entered into the player tracking shall be independently reviewed by the Accounting Department daily.

Note: Sections 313.800 through 313.850, RSMo., et seq., and Title 11, Division 45 of the Code of State Regulations establish standards to which Class A licensees must comply. Class A licensees should review these statutes and rules to ensure their ICS includes compliance with the requirements set forth.